



**REPORT OF THE EXECUTIVE MAYOR
FOR SUBMISSION TO COUNCIL MEETING**

**MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK BUDGET 2019/2020,
2020/2021 AND 2021/2022**

1. EXECUTIVE SUMMARY

The purpose of the report is to seek Council approval on the Medium-Term Revenue and Expenditure Framework Budget 2019/2020, 2020/2021 and 2021/2022 financial year.

2. BUSINESS PLAN

None

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

Good governance and Municipal financial viability

4. POLICY

TMDM Budget Policy

5. ANNEXURE

National Treasury Circular: 82, 93 and 94
TMDM Reviewed budget policies

6. DELEGATED AUTHORITY

Council

7. LEGAL REQUIREMENTS

- Local Government: Municipal Finance Management Act No. 56 of 2003
- Local Government: Municipal System Amendment Act No.32 of 2000
- Division of Revenue Act of 2019

8. BACKGROUND

In terms of Section 24 of the Municipal Finance Management Act No.56 of 2003-S24 (1) the council of a municipality must for each financial year approve an annual budget for the municipality before the start of the financial year.

The MTREF Budget 2019/2020 was compiled and aligned to the Integrated Development Plan and the following National Treasury circulars were taken into account:

- Municipal Budget Circular for the 2019/20 MTREF-MFMA Circular No.93
- Municipal Budget Circular for the 2019/20 MTREF-MFMA Circular No.94
- Municipal Budget Circular: Cost containment measure MFMA Circular .82
- Division of Revenue Bill (Gazette 42217 of 8 February 2019)
- MFMA previous guidelines and circular, and
- Municipal Budget and Reporting Regulation (Gazette 32149 of 17 April 2009)

9. FINANCIAL IMPLICATIONS

- Total Operating Revenue of R190 899 071
- Total Operating Expenditure of R187 429 880 and
- Total Capital Expenditure of R3 264 611

10. STAFF IMPLICATIONS

None

11. RISK IMPLICATIONS

Non-compliance with MFMA

12. RECOMMENDATION

It is recommended

- i. The Council of Thabo Mofutsanyana District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approve the Final MTREF Budget for the financial year 2019/2020 and two outer years:
 - a. The annual budget of the municipality for the financial year 2019/2020 and the multi-year and single-year capital appropriations as set out in the following tables:
 - Budgeted Financial Performance (revenue and expenditure by standard classification);

- Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - Budgeted Financial Performance (revenue by source and expenditure by type); and
 - Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source.
- b. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
- Budgeted Financial Position;
 - Budgeted Cash Flows;
 - Cash backed reserves and accumulated surplus reconciliation;
 - Asset management; and
 - Basic service delivery measurement.
- c. That council approves the following reviewed budget related policies
- Budgeted related policy
 - Finance Management policy
 - Fixed Asset management policy
 - Human Resource Policy
 - Subsistence and travel policy
 - Credit Policy
 - Impairment debt policy
 - Unauthorised Irregular Fruitless and wasteful Policy
 - Cash management and investment policy
 - Supply chain management policy
 - Fleet management and replacement policy
 - Commitments policy
 - Contingent policy



Cllr. M Vilakazi

Executive Mayor: Thabo Mofutsanyana District Municipality